

MAGNESIUM ELEKTRON LTD

UK Gender Pay Gap Report
for Fiscal Year 2020



UK GENDER PAY GAP REPORT FOR FISCAL YEAR 2020

The UK Equalities Act of 2017 (the “Act”) requires organizations of 250 employees or more conducting business in the UK to publish an annual statement regarding the pay differences between men and women. Under the Act, organizations must provide a breakdown of men and women in different pay quartiles and detail the proportion of men and women in the company who receive bonuses.

WHAT IS THE GENDER PAY GAP?

The Equal Pay Act of 1970 made it illegal to pay men and women different amounts to perform the same work, however, the gender pay gap is not the same as equal pay. While equal pay and gender pay do overlap, the gender pay gap shows the difference between the average pay of a company’s male and female employees, regardless of the type of work they do. The reported figures also show us the bonus pay gap and the proportion of men and women in each quartile of the pay structure of the company. Magnesium Elektron Ltd recognizes that collecting and reporting this data helps us realize our own gender pay gap. By knowing where we stand, we know where we need to be.

ABOUT US

Magnesium Elektron Ltd (the “Company”) is a subsidiary of Luxfer Holdings PLC, a global producer of highly-engineered industrial material specializing in the design and manufacture of high-performance products for transportation, defense and emergency response, healthcare and general industrial applications. The Company’s primary operations are located in Swinton and Manchester UK and employs a total of 250 people as at the snapshot date of 5 April 2020. As such, we fall within the scope for reporting under the Act.

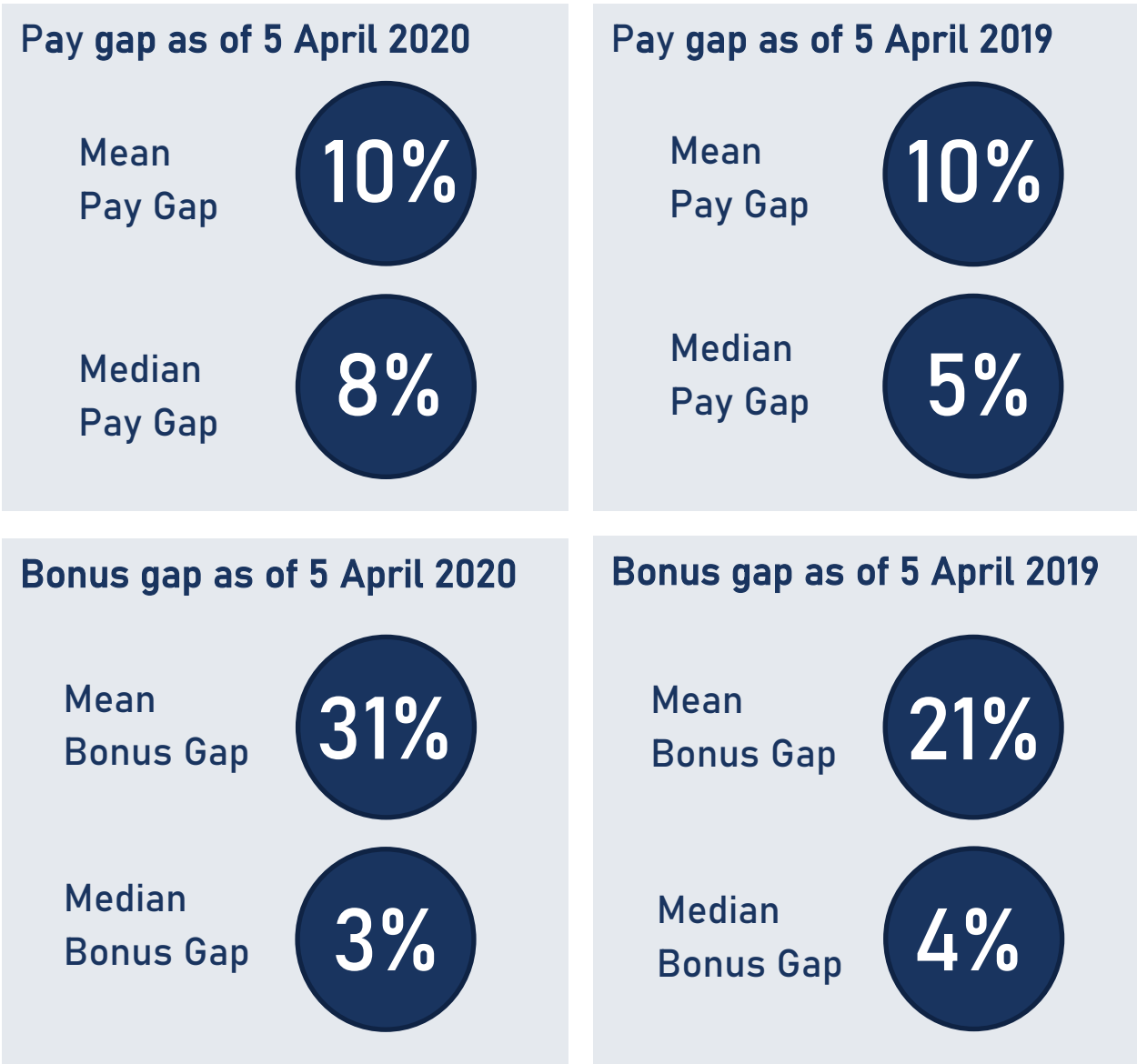
Separate gender pay gap reports for Luxfer Holdings PLC and Luxfer Gas Cylinders Limited can be found on our website at www.luxfer.com or can be found by clicking [here](#).

THE IMPACT OF COVID-19 IN 2020

The COVID-19 pandemic had a significant impact on our gender pay gap data in 2020. The snapshot date of 5 April 2020 came just after the first national lockdown was mandated and most of our facilities were operating at a reduced capacity at the time. While we allowed for remote work wherever possible, involuntary furloughs and reduced working hours were implemented across many of our factories. With this in mind, the reported figures should be taken into context with the COVID-19 pandemic and the ways in which the lockdowns significantly skewed our gender pay gap data.

Pursuant to the reporting standards as defined by the Act, only full pay relevant employees shall be included in the reporting pool. This means that any employee who did not receive 100% of their regular pay should be excluded from the data set. In the absence of any revised guidance from the UK Government Equalities Office or the Equality and Human Rights Commission, our 2020 Report follows this requirement. However, by excluding employees who were furloughed or had their hours reduced, the total number of employees in the reporting pool significantly decreased. As of the snapshot date, a total of 100 employees were furloughed or laid off and were not included in the total reporting pool. Of those, 84% were men and 16% were women. We believe this to be the primary cause of the differences between our pay and bonus gap figures for 2020 as compared to 2019. The results for 2020 may show an increase or a decrease in the gender pay and bonus gap that is not necessarily representative of our business if it was operating under normal circumstances as of the snapshot date. Nonetheless, we believe in the importance of gender pay gap reporting in the interest of transparency and to ensure that we remain in compliance with the law.

PAY AND BONUS GAP



The figures above show the overall mean and median gender pay gap based on hourly rate of pay as at the snapshot date (e.g., 5 April 2020). It also captures the mean and median difference between bonuses paid to men and women in the year up to 5 April 2020. For cash bonuses, these relate to the 2019 performance year and in relation to the 2019 and previous years for the awarding of share options. The bonus calculation is based on when an employee incurs a charge to income tax, which is derived from the point in time at which the employee chooses to exercise their share awards. Bonuses received were included in the calculation of hourly pay as of the snapshot date.

PROPORTION OF BONUSES PAID



95% of full-pay relevant women received a bonus.



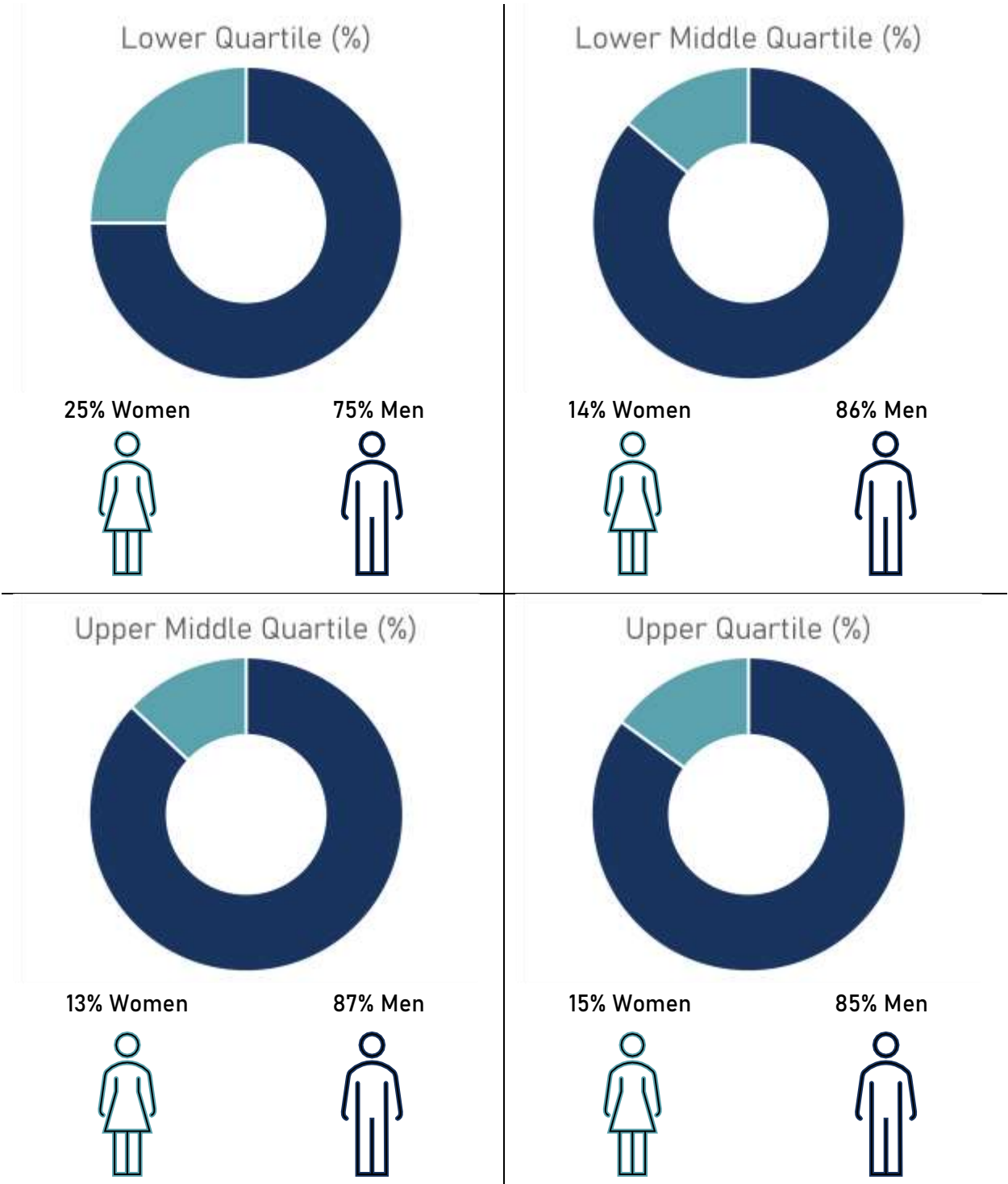
98% of full-pay relevant men received a bonus.



There is a 3% difference between the number of full-pay relevant men and women being paid a bonus for their performance in 2020, or previous years in the case of share awards.

PAY QUARTILES

These charts illustrate the proportion of male and female full-pay relevant employees in the lower, lower middle, upper middle, and upper quartile pay bands, each containing approximately 62 employees.



SUMMARY

At Magnesium Elektron Limited, we recognize the value in diversity as a key differentiator and that our strength is in our employees. We are committed to fostering an inclusive, honest, globally diverse work environment. Entrenched in longstanding policies of Luxfer, we promote workforce diversity and employee education and development. Through our policies and practices, we continue to develop a world-class team. We constantly strive to create an environment where differences are valued, supported and encouraged.

At present, we are working hard to recalibrate our operations to allow for additional COVID safeguards including reconfiguring our factories and permitting remote work wherever possible so that we can ensure the health and safety of all our colleagues and their families. We are looking forward to obtaining a clearer picture of our gender pay gap in the 2021 reporting year and refocusing on our diversity efforts as the world begins to recover.

APPROVAL

This statement under the UK Equalities Act of 2017 has been approved by the Board of Directors for Luxfer Holdings PLC for the fiscal year ending 31 December 2020.



Alok Maskara
Chief Executive Officer
Luxfer Holdings PLC

3 March 2021